Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf*

OMB No. 1545-0052

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning , 2015, and ending , 20

Name of foundation: WILLIAM M. HALES FOUNDATION

A Employer identification number: 36-3735095

Number and street (or P O box number if mail is not delivered to street address): 408 GREEN BAY ROAD, P O BOX 63

Room/suite:

B Telephone number (see instructions): 312-630-6000

City or town, state or province, country, and ZIP or foreign postal code: KENILWORTH, IL 60043

C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1 Foreign organizations, check here ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 5,631,117.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	126,921.	123,444.		STMT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	88,589.			
	b Gross sales price for all assets on line 6a 658,380.				
	7 Capital gain net income (from Part IV, line 2)		88,589.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	21,571.			STMT 2
	12 **Total.** Add lines 1 through 11	237,081.	212,033.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	NONE	NONE		NONE
	14 Other employee salaries and wages		NONE	NONE	
	15 Pension plans, employee benefits		NONE	NONE	
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 3	2,500.	1,250.	NONE	1,250.
	c Other professional fees (attach schedule) STMT 4	27,567.	27,567.		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 5	9,299.	3,908.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings		NONE	NONE	
	22 Printing and publications		NONE	NONE	
	23 Other expenses (attach schedule) STMT 6	25.			25.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	39,391.	32,725.	NONE	1,275.
	25 Contributions, gifts, grants paid	247,700.			247,700.
	26 **Total expenses and disbursements** Add lines 24 and 25	287,091.	32,725.	NONE	248,975.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-50,010.			
	b **Net investment income** (if negative, enter -0-)		179,308.		
	c **Adjusted net income** (if negative, enter -0-)				

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04 Received in Batching Ogden AUG 04 2016

Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	257,124.	161,530.	161,530.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶ NONE			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) STMT 7	4,341,833.	4,306,497.	4,774,666.
	c Investments - corporate bonds (attach schedule) STMT 8	519,445.	539,620.	542,035.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule) STMT 9	142,546.	142,546.	152,886.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	5,260,948.	5,150,193.	5,631,117.
Liabilities	17 Accounts payable and accrued expenses	39,200.		
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ OUTSTANDING CHECK)			
	23 Total liabilities (add lines 17 through 22)	39,200.	NONE	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ [ ] and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ [X]			
	27 Capital stock, trust principal, or current funds	5,221,748.	5,150,193.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	5,221,748.	5,150,193.	
	31 Total liabilities and net assets/fund balances (see instructions)	5,260,948.	5,150,193.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	5,221,748.
2 Enter amount from Part I, line 27a	2	-50,010.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	5,171,738.
5 Decreases not included in line 2 (itemize) ▶ TAX COST ETC ADJ.	5	21,545.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5,150,193.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	PUBLICLY TRADED SECURITIES			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	658,380.		569,791.	88,589.
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				88,589.
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } **2** 88,589.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 . . . . . **3**

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2014	256,021.	6,152,852.	0.041610
2013	256,530.	5,694,379.	0.045050
2012	284,413.	5,212,651.	0.054562
2011	281,211.	5,247,019.	0.053594
2010	284,820.	5,066,283.	0.056219

2	**Total** of line 1, column (d)	2	0.251035
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.050207
4	Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	5,905,895.
5	Multiply line 4 by line 3	5	296,517.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,793.
7	Add lines 5 and 6	7	298,310.
8	Enter qualifying distributions from Part XII, line 4	8	248,975.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 . . . Date of ruling or determination letter ________________ (attach copy of letter if necessary - see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	3,586.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	
3	Add lines 1 and 2		3	3,586.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	3,586.
6	Credits/Payments			
a	2015 estimated tax payments and 2014 overpayment credited to 2015	6a 12,215.		
b	Exempt foreign organizations - tax withheld at source	6b NONE		
c	Tax paid with application for extension of time to file (Form 8868)	6c NONE		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d		7	12,215.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	8,629.
11	Enter the amount of line 10 to be: **Credited to 2016 estimated tax** ▶ 8,629. **Refunded** ▶		11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ________ **(2)** On foundation managers. ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ IL			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ THE NORTHERN TRUST COMPANY Telephone no. ▶ (312)630-6000
Located at ▶ P.O. BOX 803878, CHICAGO, IL ZIP+4 ▶ 60680

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	2b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2015 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2015.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? . . . . . . ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? . . . . . ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? . . . . . ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) . . . . . ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? . . . . . ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here . . . . . ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? . . . . . ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . . ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . **6b** | | X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? . . ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JOHN W. HALES 120 W. MADISON STREET, SUITE 700-E, CHICAGO, IL 60602	SECRETARY/TREASU 10	-0-	-0-	-0-
CATHERINE L. HALES 120 W. MADISON STREET, SUITE 700-E, CHICAGO, IL 60602	PRESIDENT 05	-0-	-0-	-0-
ERIK W. HALES 120 W. MADISON STREET, SUITE 700-E, CHICAGO, IL 60602	DIRECTOR 05	-0-	-0-	-0-

2 Compensation of five highest-paid employees (other than those included on line 1 - see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE		NONE	NONE	NONE

Total number of other employees paid over $50,000 . . . . . ▶ NONE

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		NONE
Total number of others receiving over $50,000 for professional services ▶		NONE

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments. See instructions 3 NONE	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	5,995,832.
b	Average of monthly cash balances	1b	NONE
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	5,995,832.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	5,995,832.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	89,937.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,905,895.
6	**Minimum investment return.** Enter 5% of line 5	6	295,295.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	295,295.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	3,586.		
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	3,586.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	291,709.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	291,709.
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	291,709.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	248,975.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	248,975.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	N/A
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	248,975.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				291,709.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			NONE	
b Total for prior years 20 13 ,20___,20___		NONE		
3 Excess distributions carryover, if any, to 2015:				
a From 2010 ...... 33,316.				
b From 2011 ...... 28,838.				
c From 2012 ...... 28,404.				
d From 2013 ...... NONE				
e From 2014 ...... NONE				
f Total of lines 3a through e	90,558.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ $ 248,975.				
a Applied to 2014, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2015 distributable amount				248,975.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2015 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	42,734.			42,734.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	47,824.			
b Prior years' undistributed income. Subtract line 4b from line 2b		NONE		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount - see instructions			NONE	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	NONE			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)	NONE			
9 **Excess distributions carryover to 2016.** Subtract lines 7 and 8 from line 6a	47,824.			
10 Analysis of line 9:				
a Excess from 2011 ... 19,420.				
b Excess from 2012 ... 28,404.				
c Excess from 2013 ... NONE				
d Excess from 2014 ... NONE				
e Excess from 2015 ... NONE				

Part XIV **Private Operating Foundations** (see instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, enter the date of the ruling . . . . ▶

b Check box to indicate whether the foundation is a private operating foundation described in section [ ] 4942(j)(3) or [ ] 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test- enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV **Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year - see instructions.)**

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

NO CONTRIBUTIONS RECEIVED DURING THIS TAX YEAR.

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶ [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:

b The form in which applications should be submitted and information and materials they should include:

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information *(continued)*

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHED SCHEDULE	NONE	PUBLIC	GENERAL	247,700.
Total . . . . . . ▶ **3a**				247,700.
b *Approved for future payment*				
Total . . . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	126,921.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	88,589.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b DEFERRED INCOME			14	21,571.	
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				237,081.	

13 Total. Add line 12, columns (b), (d), and (e) . . . . . 13 237,081.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
	NOT APPLICABLE

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

John W. Holes — Signature of officer or trustee | 7/15/16 — Date | Sec-Treasurer — Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
John Correns		7/8/16		P01535651

Firm's name ▶ THE NORTHERN TRUST COMPANY — Firm's EIN ▶ 36-1561860

Firm's address ▶ P.O. BOX 803878
CHICAGO, IL 60680 — Phone no

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS		71,764.	69,609.
FOREIGN		45,311.	45,311.
CORPORATE INT		8,524.	8,524.
MUNCIPAL INT		1,322.	
	TOTAL	126,921.	123,444.

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS
DEFERRED INCOME		21,571.
	TOTALS	21,571.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREP FEES	2,500.	1,250.		1,250.
TOTALS	2,500.	1,250.	NONE	1,250.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
TRUSTEE FEES		27,567.	27,567.
	TOTALS	27,567.	27,567.

FORM 990PF, PART I - TAXES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
ESTIMATED TAXES		5,391.	
FOREIGN		3,908.	3,908.
	TOTALS	9,299.	3,908.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
IL ATTORNEY GENERAL FEE	15.	15.
SECRETARY OF STATE	10.	10.
TOTALS	25.	25.

WILLIAM M. HALES FOUNDATION 36-3735095

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION		ENDING BOOK VALUE	END F
SEE ATTACHED SCHEDULE		4,306,497.	4,
	TOTALS	4,306,497.	4,

3

4,666.

4,666.

WILLIAM M. HALES FOUNDATION 36-3735095

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE	539,620.	542,035.
TOTALS	539,620.	542,035.

WILLIAM M. HALES FOUNDATION 36-3735095

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	COST/ FMV C OR F	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE	C	142,546.	152,886.
TOTALS		142,546.	152,886.

William M. Hales Foundation - 2015 donations			
Charity	Date	Amount	Address
Fifth Epochal Fellowship	4/9/2015	50,000 00	Fifth Epochal Fellowship, PO Box 6631, Broomfield CO 80021
Urantia Foundation	5/29/2015	25,000 00	533 W. Diversey Pkwy, Chicago IL 60614
Fifth Epochal Fellowship	10/29/2015	35,000 00	Fifth Epochal Fellowship, PO Box 6631, Broomfield CO 80021
Urantia Foundation	10/29/2015	50,000 00	533 W. Diversey Pkwy, Chicago IL 60614
Chicago Symphony Orchestra	10/29/2015	2,500 00	220 S. Michigan Ave , Chicago IL 60604-2559
Adler Planetarium	10/29/2015	1,000 00	1300 South Lake Shore Dr , Chicago IL 60605-2403
American Red Cross of Greater Chicago	10/29/2015	500 00	The Rauner Center, 2200 W Harrison St, Chicago IL 60612
Art Institute of Chicago	10/29/2015	1,500 00	111 S Michigan Ave , Chicago IL 60603
Beloit College	10/29/2015	18,000 00	Office of Corporate & Foundation Relations, Beloit College, 700 College St, Beloit WI 54511
Chicago Horticultural Society	10/29/2015	1,000.00	1000 Lake Cook Rd., Glencoe IL 60022
Clearwater Camp Foundation	10/29/2015	20,000 00	7490 E. Clearwater Rd., Minocqua WI 54548
Community Renewal Society	10/29/2015	1,000 00	111 W Jackson Blvd , Ste 820, Chicago IL 60604-4128
Family Service of Winnetka-Northfield	10/29/2015	1,000 00	992 1/2 Green Bay Road, Winnetka, IL 60093
Girl Scouts of Chicago	10/29/2015	1,500 00	20 South Clark Street, Chicago, IL 60603
Good News Partners	4/30/2014	1,000 00	1600 W. Jonquil Terrace, Chicago IL 60626
Hadley School for the Blind	10/29/2015	1,000 00	PO Box 299, Winnetka IL 60093
Lincoln Park Zoo	10/29/2015	1,000.00	PO Box 14903, Cannon Drive at Fullerton Parkway, Chicago IL 60614
Josselyn Center	10/29/2015	2,000 00	405 Central St , Northfield IL 60093
Angles (was LINKS)	10/29/2015	12,000 00	1779 Maple St , Northfield IL 60093
Mercy Home for Boys and Girls	10/29/2015	1,000 00	1140 W. Jackson Blvd, Chicago IL 60607
Newberry Library	10/29/2015	500.00	60 W Walton St., Chicago IL 60610
North Shore Senior Center	10/29/2015	1,000.00	161 Northfield Rd , Northfield IL 60093
North Shore University Health System Foundation	10/29/2015	1,500 00	1033 University Place, Ste 450, Evanston IL 60201-3172
Oglala Lakota College	10/29/2015	5,000 00	PO Box 537 Piya Wiconi Rd , Kyle SD 57752
The Field Museum	10/29/2015	700 00	1400 S Lake Shore Dr, Chicago IL 60605-2496
Union League Boys and Girls Club	10/29/2015	6,000.00	65 W Jackson Blvd, Chicago IL 60604
Winnetka Congregational Church	10/29/2015	1,000 00	725 Pine St , Winnetka IL 60093
WTTW-Channel 11	10/29/2015	1,000 00	5400 N Saint Louis Ave , Chicago IL 60625
Beacon Academy	12/31/2015	5,000 00	622 Davis St , Evanston IL 60201
TOTAL PAID		**247,700.00**	

Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Equity Securities							
Common stock							
Netherlands - USD							
NXP SEMICONDUCTORS N V COM STK CUSIP N6596X109							
339 000	84 25	0 00	28,560 75	28,976 37	-415 62	0 00	-415 62
Total USD		0 00	28,560 75	28,976 37	-415 62	0 00	-415 62
Total Netherlands		0 00	28,560 75	28,976 37	-415 62	0 00	-415 62
United States - USD							
#REORG/BAXALTA INC COM CASH AND STOCK MERGER SHIRE PLC 2823566 06-03-16 CUSIP 07177M103							
1,317 000	39 03	92 19	51,402 51	41,377 27	10,025 24	0 00	10,025 24
#REORG/PRECISION CASTPARTS CORP COM CASH MERGER 01-29-2016 CUSIP 740189105 PCP							
0 000	232 01	1 92	0 00	0 00	0 00	0 00	0 00
ACTIVISION BLIZZARD INC COM STK CUSIP 00507V109							
1,132 000	38 71	0 00	43,819 72	22,629 02	21,190 70	0 00	21,190 70
ALPHABET INC CAP STK CL A CAP STK CL A CUSIP 02079K305 GOOGL							
44 000	778 01	0 00	34,232 44	13,496 56	20,735 88	0 00	20,735 88
ALPHABET INC CAP STK CL C CAP STK CL C CUSIP 02079K107							
96 000	758 88	0 00	72,852 48	40,555 97	32,296 51	0 00	32,296 51
AMERICAN EXPRESS CO CUSIP 025816109							
538 000	69 55	0 00	37,417 90	26,020 91	11,396 99	0 00	11,396 99
AMGEN INC COM CUSIP 031162100 AMGN							
130 000	162 33	0 00	21,102 90	8,671 22	12,431 68	0 00	12,431 68

Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total

Equity Securities

Common stock

United States - USD

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
APPLE INC COM STK CUSIP 037833100 AAPL 813 000	105 26	0 00	85,576 38	6,158 08	79,418 30	0 00	79,418 30
BAXTER INTL INC COM CUSIP 071813109 737 000	38 15	84 75	28,116 55	27,794 56	321 99	0 00	321 99
BIOGEN INC COMMON STOCK CUSIP 09062X103 159 000	306 35	0 00	48,709 65	47,960 21	749 44	0 00	749 44
C R BARD CUSIP 067383109 172 000	189 44	0 00	32,583 68	17,432 03	15,151 65	0 00	15,151 65
CHEVRON CORP COM CUSIP 166764100 CVX 269 000	89 96	0 00	24,199 24	27,732 97	-3,533 73	0 00	-3,533 73
CITIGROUP INC COM NEW COM NEW CUSIP 172967424 1,369 000	51 75	0 00	70,845 75	69,536 82	1,308 93	0 00	1,308 93
COSTCO WHOLESALE CORP NEW COM CUSIP 22160K105 144 000	161 50	0 00	23,256 00	10,733 03	12,522 97	0 00	12,522 97
CVS HEALTH CORP COM CUSIP 126650100 CVS 614 000	97 77	0 00	60,030 78	32,076 71	27,954 07	0 00	27,954 07
DANAHER CORP COM CUSIP 235851102 644 000	92 88	86 94	59,814 72	32,518 72	27,296 00	0 00	27,296 00

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Equity Securities							
Common stock							
United States - USD							
DICKS SPORTING GOODS INC OC-COM CUSIP 253393102							
820 000	35 35	0 00	28,987 00	38,216 35	-9,229 35	0 00	-9,229 35
DUKE ENERGY CORP NEW COM NEW COM NEW CUSIP 26441C204							
209 000	71 39	0 00	14,920 51	15,025 07	-104 56	0 00	-104 56
EATON CORP PLC COM USD0 50 CUSIP G29183103							
706 000	52 04	0 00	36,740 24	39,345 05	-2,604 81	0 00	-2,604 81
EMC CORP COM CUSIP 268648102 EMC							
1,861 000	25 68	214 01	47,790 48	49,621 78	-1,831 30	0 00	-1,831 30
EOG RESOURCES INC COM CUSIP 26875P101							
336 000	70 79	0 00	23,785 44	26,060 76	-2,275 32	0 00	-2,275 32
EXPRESS SCRIPTS HLDG CO COM CUSIP 30219G108 ESRX							
573 000	87 41	0 00	50,085 93	31,358 71	18,727 22	0 00	18,727 22
EXXON MOBIL CORP COM CUSIP 30231G102 XOM							
474 000	77 95	0 00	36,948 30	32,546 25	4,402 05	0 00	4,402 05
GENERAL ELECTRIC CO CUSIP 369604103 GE							
1,589 000	31 15	365 47	49,497 35	13,849 28	35,648 07	0 00	35,648 07
GILEAD SCIENCES INC CUSIP 375558103 GILD							
276 000	101 19	0 00	27,928 44	15,121 66	12,806 78	0 00	12,806 78

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Equity Securities							
Common stock							
United States - USD							
HALLIBURTON CO COM CUSIP 406216101 HAL							
660 000	34 04	0 00	22,466 40	25,714 00	-3,247 60	0 00	-3,247 60
HOME DEPOT INC COM CUSIP 437076102 HD							
511 000	132 25	0 00	67,579 75	22,739 19	44,840 56	0 00	44,840 56
INTERCONTINENTAL EXCHANGE INC COM CUSIP 45866F104 ICE							
148 000	256 26	0 00	37,926 48	18,537 02	19,389 46	0 00	19,389 46
JPMORGAN CHASE & CO COM CUSIP 46625H100 JPM							
1,256 000	66 03	0 00	82,933 68	56,192 30	26,741 38	0 00	26,741 38
KOHLS CORP COM CUSIP 500255104							
602 000	47 63	0 00	28,673 26	35,270 01	-6,596 75	0 00	-6,596 75
MC DONALDS CORP COM CUSIP 580135101							
365 000	118 14	0 00	43,121 10	30,994 62	12,126 48	0 00	12,126 48
MERCK & CO INC NEW COM CUSIP 58933Y105							
806 000	52 82	370 76	42,572 92	34,707 31	7,865 61	0 00	7,865 61
METLIFE INC COM STK USD0 01 CUSIP 59156R108							
996 000	48 21	0 00	48,017 16	39,736 86	8,280 30	0 00	8,280 30
MONDELEZ INTL INC COM CUSIP 609207105							
1,040 000	44 84	176 80	46,633 60	34,231 07	12,402 53	0 00	12,402 53

Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Equity Securities							
Common stock							
United States - USD							
NIKE INC CL B CUSIP 654106103							
560 000	62 50	105 60	35,000 00	12,436 96	22,563 04	0 00	22,563 04
NORFOLK SOUTHN CORP COM CUSIP 655844108 NSC							
272 000	84 59	0 00	23,008 48	18,361 27	4,647 21	0 00	4,647 21
NUCOR CORP COM CUSIP 670346105							
867 000	40 30	325 12	34,940 10	40,636 18	-5,696 08	0 00	-5,696 08
ORACLE CORP COM CUSIP 68389X105 ORCL							
818 000	36 53	0 00	29,881 54	26,785 41	3,096 13	0 00	3,096 13
PFIZER INC COM CUSIP 717081103							
1,198 000	32 28	0 00	38,671 44	28,553 61	10,117 83	0 00	10,117 83
PROCTER & GAMBLE COM NPV CUSIP 742718109							
366 000	79 41	0 00	29,064 06	22,052 41	7,011 65	0 00	7,011 65
QUALCOMM INC COM CUSIP 747525103 QCOM							
611 000	49 985	0 00	30,540 83	30,218 97	321 86	0 00	321 86
RACKSPACE HOSTING INC COM STK CUSIP 750086100							
835 000	25 32	0 00	21,142 20	20,610 09	532 11	0 00	532 11
SALESFORCE COM INC COM STK CUSIP 79466L302							
596 000	78 40	0 00	46,726 40	34,317 28	12,409 12	0 00	12,409 12

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Equity Securities							
Common stock							
United States - USD							
SCHLUMBERGER LTD COM COM CUSIP 806857108 SLB							
510 000	69 75	255 00	35,572 50	32,263 21	3,309 29	0 00	3,309 29
STARBUCKS CORP COM CUSIP 855244109							
743 000	60 03	0 00	44,602 29	18,313 72	26,288 57	0 00	26,288 57
TWENTY-FIRST CENTY FOX INC CL A CL A CUSIP 90130A101 FOXA							
1,256 000	27 16	0 00	34,112 96	40,436 93	-6,323 97	0 00	-6,323 97
TWITTER INC COM CUSIP 90184L102							
854 000	23 14	0 00	19,761 56	26,286 11	-6,524 55	0 00	-6,524 55
V F CORP COM CUSIP 918204108							
385 000	62 25	0 00	23,966 25	10,056 81	13,909 44	0 00	13,909 44
VERIZON COMMUNICATIONS COM CUSIP 92343V104 VZ							
369 000	46 22	0 00	17,055 18	13,671 52	3,383 66	0 00	3,383 66
WALT DISNEY CO CUSIP 254687106 DIS							
455 000	105 08	323 05	47,811 40	11,436 10	36,375 30	0 00	36,375 30
WELLS FARGO & CO NEW COM STK CUSIP 949746101 WFC							
1,223 000	54 36	0 00	66,482 28	39,104 78	27,377 50	0 00	27,377 50
ZIMMER BIOMET HLDGS INC COM CUSIP 98956P102 ZMH							
398 000	102 59	87 56	40,830 82	42,640 33	-1,809 51	0 00	-1,809 51
Total USD		2,489 17	2,049,739 03	1,452,143 06	597,595 97	0 00	597,595 97

Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Equity Securities							
Common stock							
Total United States		2,489 17	2,049,739 03	1,452,143 06	597,595 97	0 00	597,595 97
Total Common Stock							
34,061.000		**2,489.17**	**2,078,299.78**	**1,481,119.43**	**597,180.35**	**0.00**	**597,180.35**
Equity funds							
Emerging Markets Region - USD							
MFB NORTHN FUNDS EMERGING MKTS EQTY EQTY INDEX FD CUSIP 665162582							
27,880 400	8 78	0 00	244,789 91	308,636 02	-63,846 11	0 00	-63,846 11
MFO OPPENHEIMER DEVELOPING MKTS FDS CL I CUSIP 683974604							
8,486 840	29 98	0 00	254,435 46	311,999 68	-57,564 22	0 00	-57,564 22
Total USD		0 00	499,225 37	620,635 70	-121,410 33	0 00	-121,410 33
Total Emerging Markets Region		0 00	499,225 37	620,635 70	-121,410 33	0 00	-121,410 33
Global Region - USD							
MFC FLEXSHARES TR MORNINGSTAR GLOBAL UPSTREAM NAT RES INDEX FD CUSIP 33939L407							
9,100 000	22 25	0 00	202,475 00	307,946 96	-105,471 96	0 00	-105,471 96
Total USD		0 00	202,475 00	307,946 96	-105,471 96	0 00	-105,471 96
Total Global Region		0 00	202,475 00	307,946 96	-105,471 96	0 00	-105,471 96
International Region - USD							
MFC FLEXSHARES TR INTL QUALITY DIVIDEND INDEX FD CUSIP 33939L837							
21,200 000	21 55	3,308 04	456,860 00	563,532 04	-106,672 04	0 00	-106,672 04
MFO NEUBERGER BERMAN EQUITY FDS INTL INSTITUTIONAL FD CUSIP 641224811							
78,142 080	10 91	0 00	852,530 09	715,000 00	137,530 09	0 00	137,530 09

Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Unrealized gain/loss Translation	Unrealized gain/loss Total
Equity Securities							
Equity funds							
Total USD		3,308 04	1,309,390 09	1,278,532 04	30,858 05	0 00	30,858 05
Total International Region		3,308 04	1,309,390 09	1,278,532 04	30,858 05	0 00	30,858 05
United States - USD							
MFB NORTHERN MULTI MANAGER GLOBAL LISTEDINFRASTRUCTURE FUND CUSIP 665162384							
11,951 600	11 11	0 00	132,782 27	132,711 59	70 68	0 00	70 68
MFO DFA US SMALL CAP PORTFOLIO CUSIP 233203843 DFA_C							
8,867 270	28 36	0 00	251,475 77	210,211 18	41,264 59	0 00	41,264 59
SPDR S&P MIDCAP 400 ETF TRUST CUSIP 78467Y107							
1,050 000	254 09	1,053 16	266,794 50	249,787 75	17,006 75	0 00	17,006 75
Total USD		1,053 16	651,052 54	592,710 52	58,342 02	0 00	58,342 02
Total United States		1,053 16	651,052 54	592,710 52	58,342 02	0 00	58,342 02
Total Equity Funds **166,678.190**		**4,361.20**	**2,662,143.00**	**2,799,825.22**	**-137,682.22**	**0.00**	**-137,682.22**
Other equity							
United States - USD							
AMERICAN TOWER CORP CUSIP 03027X100 AMT							
353 000	96 95	172 97	34,223 35	25,552 73	8,670 62	0 00	8,670 62
Total USD		172 97	34,223 35	25,552 73	8,670 62	0 00	8,670 62
Total United States		172 97	34,223 35	25,552 73	8,670 62	0 00	8,670 62
Total Other Equity **353.000**		**172.97**	**34,223.35**	**25,552.73**	**8,670.62**	**0.00**	**8,670.62**

Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Total Equity Securities							
201,092.190		**7,023.34**	**4,774,666.13**	**4,306,497.38**	**468,168.75**	**0 00**	**468,168.75**

Fixed Income Securities

Corporate/government

United States - USD

Description / Asset ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
CAMPBELL SOUP CO 3 05% DUE 07-15-2017 CUSIP 134429AV1							
100,000 000	102 2512	1,406 38	102,251 20	100,540 52	1,710 68	0 00	1,710 68
Issue Date 06 Jul 10 Rate 3 05% Yield to Maturity 1 553% Maturity Date 15 Jul 17							
MFB NORTHN HI YIELD FXD INC FD CUSIP 665162699							
31,915 490	6 48	0 00	206,812 37	214,630 33	-7,817 96	0 00	-7,817 96
Issue Date 25 Aug 08							
PHILIP MORRIS INTL 4 5% DUE 03-26-2020 CUSIP 718172AH2							
100,000 000	108 895	1,187 50	108,895 00	101,957 09	6,937 91	0 00	6,937 91
Issue Date 26 Mar 10 Rate 4 50% Yield to Maturity 2 298% Maturity Date 26 Mar 20							
Total USD		2,593 88	417,958 57	417,127 94	830 63	0 00	830 63
Total United States		2,593 88	417,958 57	417,127 94	830 63	0 00	830 63
Total Corporate/Government							
231,915.490		**2,593.88**	**417,958.57**	**417,127.94**	**830.63**	**0.00**	**830.63**

Municipal issues

United States - USD

Description / Asset ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
MFB NORTHN FDS SHORT INTER TX EXMP FD CUSIP 665162525							
2,937 300	10 44	0 00	30,665 41	30,636 13	29 28	0 00	29 28
Issue Date 25 Aug 08							

Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Fixed Income Securities							
Municipal issues							
United States - USD							
MFB NORTHN FDS TX EXMP FD CUSIP 665162863							
8,641 200 Issue Date 25 Aug 08	10 81	0 00	93,411 37	91,856 00	1,555 37	0 00	1,555 37
Total USD		0 00	124,076 78	122,492 13	1,584 65	0 00	1,584 65
Total United States		0 00	124,076 78	122,492 13	1,584 65	0 00	1,584 65
Total Municipal Issues **11,578.500**		**0 00**	**124,076.78**	**122,492.13**	**1,584.65**	**0.00**	**1,584 65**
Total Fixed Income Securities **243,493.990**		**2,593.88**	**542,035.35**	**539,620.07**	**2,415.28**	**0.00**	**2,415.28**
Real Estate							
Real estate funds							
United States - USD							
MFB NORTHERN FDS GLOBAL REAL ESTATE INDEX FD CUSIP 665162541							
15,826 660	9 66	0 00	152,885 53	142,546 00	10,339 53	0 00	10,339 53
Total USD		0 00	152,885 53	142,546 00	10,339 53	0 00	10,339 53
Total United States		0 00	152,885 53	142,546 00	10,339 53	0 00	10,339 53
Total Real Estate Funds **15,826.660**		**0.00**	**152,885.53**	**142,546.00**	**10,339.53**	**0.00**	**10,339.53**
Total Real Estate **15,826.660**		**0.00**	**152,885.53**	**142,546.00**	**10,339.53**	**0 00**	**10,339.53**

Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Cash and Short Term Investments							
Short term							
USD - United States dollar							
	1 00	3 23	161,530 48	161,530 48	0 00	0 00	0 00
Total short term - all currencies		3 23	161,530 48	161,530 48	0 00	0 00	0 00
Total short term - all countries		3 23	161,530 48	161,530 48	0 00	0 00	0 00
Total Short Term **161,530.480**		**3.23**	**161,530.48**	**161,530.48**	**0.00**	**0.00**	**0.00**
Total Cash and Short Term Investments **161,530.480**		**3.23**	**161,530.48**	**161,530.48**	**0.00**	**0.00**	**0.00**
Total **621,943.320**		**9,620.45**	**5,631,117.49**	**5,150,193.93**	**480,923.56**	**0.00**	**480,923.56**